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**Table T23-0046**  
**Energy Security Individual Tax Credit Provisions in**  
**H.R.5376, The Inflation Reduction Act of 2022 (IRA)**  
**Baseline: Pre-IRA Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2027 <sup>1</sup>**  
**Summary Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>5</sup>	
	Number (thousands)	Percent of Total				Change (%) Points)	Under the Proposal
<b>Lowest Quintile</b>	48,800	26.1	0.0	0.5	*	0.0	4.0
<b>Second Quintile</b>	41,530	22.2	0.0	4.5	-10	0.0	9.9
<b>Middle Quintile</b>	38,430	20.6	0.0	15.6	-20	0.0	15.2
<b>Fourth Quintile</b>	30,990	16.6	0.0	25.9	-50	0.0	18.8
<b>Top Quintile</b>	25,510	13.7	0.0	53.5	-120	0.0	26.6
<b>All</b>	186,800	100.0	0.0	100.0	-30	0.0	21.0
<b>Addendum</b>							
<b>80-90</b>	13,090	7.0	0.0	18.8	-80	0.0	21.8
<b>90-95</b>	6,380	3.4	0.0	14.0	-120	0.0	24.1
<b>95-99</b>	4,860	2.6	0.0	15.5	-180	0.0	27.5
<b>Top 1 Percent</b>	1,180	0.6	0.0	5.1	-240	0.0	31.9
<b>Top 0.1 Percent</b>	120	0.1	0.0	0.6	-250	0.0	31.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

Number of AMT Taxpayers (millions). Baseline: 7.7 Proposal: 7.7

(1) Calendar year. Baseline is the law in place before the enactment of the Inflation Reduction Act of 2022.

Provisions include: clean vehicle credit; credit for previously-owned qualified plug-in electric drive motor vehicles; extension, increase, and modifications of nonbusiness energy property credit; extension of residential clean energy efficient credit; and extension, increase, and modifications of new energy efficient home credit.

For more information on TPC's baseline definitions, see:

<http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2022 dollars): 20% \$32,000; 40% \$62,600; 60% \$111,200; 80% \$201,400; 90% \$292,900; 95% \$420,100; 99% \$1,017,200; 99.9% \$4,731,500.

(4) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); estate tax; and excise taxes.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, the estate tax, and excise taxes) as a percentage of average expanded cash income.

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**Energy Security Individual Tax Credit Provisions in**  
**H.R.5376, The Inflation Reduction Act of 2022 (IRA)**  
**Baseline: Pre-IRA Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2027 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>		
			Dollars	Percent <sup>5</sup>	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	0.0	0.5	*	-0.1	0.0	0.8	0.0	4.0	
Second Quintile	0.0	4.5	-10	-0.1	0.0	4.0	0.0	9.9	
Middle Quintile	0.0	15.6	-20	-0.2	0.0	10.5	0.0	15.2	
Fourth Quintile	0.0	25.9	-50	-0.1	0.0	18.6	0.0	18.8	
Top Quintile	0.0	53.5	-120	-0.1	0.0	65.9	0.0	26.6	
All	0.0	100.0	-30	-0.1	0.0	100.0	0.0	21.0	
<b>Addendum</b>									
80-90	0.0	18.8	-80	-0.1	0.0	14.7	0.0	21.8	
90-95	0.0	14.0	-120	-0.1	0.0	11.2	0.0	24.1	
95-99	0.0	15.5	-180	-0.1	0.0	16.8	0.0	27.5	
Top 1 Percent	0.0	5.1	-240	0.0	0.0	23.3	0.0	31.9	
Top 0.1 Percent	0.0	0.6	-250	0.0	0.0	10.4	0.0	31.9	

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile, 2027 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	48,800	26.1	20,930	4.0	850	0.8	20,090	4.9	4.0
Second Quintile	41,530	22.2	52,080	8.6	5,140	4.0	46,940	9.8	9.9
Middle Quintile	38,430	20.6	95,620	14.5	14,510	10.5	81,110	15.6	15.2
Fourth Quintile	30,990	16.6	168,890	20.7	31,860	18.6	137,020	21.3	18.9
Top Quintile	25,510	13.7	515,870	52.1	137,410	65.9	378,470	48.4	26.6
All	#####	100.0	135,250	100.0	28,460	100.0	106,780	100.0	21.1
<b>Addendum</b>									
80-90	13,090	7.0	272,870	14.1	59,670	14.7	213,200	14.0	21.9
90-95	6,380	3.4	388,310	9.8	93,500	11.2	294,800	9.4	24.1
95-99	4,860	2.6	667,230	12.9	183,550	16.8	483,680	11.8	27.5
Top 1 Percent	1,180	0.6	3,271,980	15.3	1,045,140	23.2	2,226,840	13.2	31.9
Top 0.1 Percent	120	0.1	14,336,340	6.9	4,566,860	10.4	9,769,480	5.9	31.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

Number of AMT Taxpayers (millions). Baseline: 7.7 Proposal: 7.7

(1) Calendar year. Baseline is the law in place before the enactment of the Inflation Reduction Act of 2022.

Provisions include: clean vehicle credit; credit for previously-owned qualified plug-in electric drive motor vehicles; extension, increase, and modifications of nonbusiness energy property credit; extension of residential clean energy efficient credit; and extension, increase, and modifications of new energy efficient home credit.

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(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2022 dollars): 20% \$32,000; 40% \$62,600; 60% \$111,200; 80% \$201,400; 90% \$292,900; 95% \$420,100; 99% \$1,017,200; 99.9% \$4,731,500.

(4) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); estate tax; and excise taxes.

(5) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change indicates a net decrease in federal subsidies.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, the estate tax, and excise taxes) as a percentage of average expanded cash income.